



Control Number: 51518



Item Number: 8

Addendum StartPage: 0

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NON-STANDARD TRUE-UP FILING  
OF AEP TEXAS INC. IN  
ACCORDANCE WITH THE  
FINANCING ORDER IN DOCKET NO.  
39931

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PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY  
FILING CLERK  
OF TEXAS

### COMMISSION STAFF'S FINAL RECOMMENDATION

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Final Recommendation. Staff recommends approval of the application. In support, Staff shows the following:

#### I. BACKGROUND

On November 13, 2020, AEP Texas Inc. (AEP) filed a non-standard true-up as the servicer of transition bonds issued pursuant to the financing order in Docket No. 39931 (Petition).<sup>1</sup> AEP requests that Rider 6.1.1.2.2.1 Initial/Adjusted Transition Charge-3 Rates (Rider TC-3) be approved.

On January 6, 2021, the administrative law judge (ALJ) filed Order No. 3, requiring Staff to file a final recommendation on the merits of the application by January 15, 2021. Therefore, this pleading is timely filed.

#### II. FINAL RECOMMENDATION

Staff has reviewed the application and, as supported by the attached memorandum from David Hoard, Rate Regulation Division, recommends that AEP's application be approved. Staff has reviewed the adjustments requested by AEP and recommend that they were properly calculated in compliance with the Financing Order in Docket No. 39931.

#### III. CONCLUSION

For the reasons stated above, Staff respectfully recommends that AEP's application be approved.

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<sup>1</sup> Application of AEP Texas Central Company for a Financing Order, Docket No. 39931, Financing Order (Jan. 12, 2012).

Dated: January 15, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**DOCKET NO. 51518**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on January 15, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Robert Dakota Parish  
Robert Dakota Parish

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Robert Parish, Attorney  
Legal Division

**FROM:** David Hoard, Rate Analyst  
Rate Regulation Division

**DATE:** January 15, 2021

**RE:** **Docket No. 51518** – *Non-Standard True-Up Filing of AEP Texas Inc. in Accordance with the Financing Order in Docket No. 39931*

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### **Procedural Background**

On November 13, 2020, AEP Texas Inc. (AEP) filed a non-standard true-up petition. AEP is the servicer of transition bonds issued in accordance with the financing order in Docket No. 39931,<sup>1</sup> The financing order approved periodic billing requirement allocation factors using a pre-determined number of billing units (known as threshold billing units). The financing order states that a non-standard true-up will be implemented if the forecasted billing units for one or more of the transition charge customer classes for an upcoming period decreases by more than 10% below the established threshold units.

### **Discussion**

AEP states that the billing determinants for the period of March 2021 through February 2022 for the Commercial and Small Industrial – Energy (Commercial Energy) class are forecasted to decrease by more than 10% as compared to the billing determinants for the 12 months ending March 31, 2011. The projected consumption for the Commercial Energy TC-3 class is 1,917,901,089 kWh, which is lower than the 90% threshold of 2,001,190,230 kWh<sup>2</sup> in the financing order.

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<sup>1</sup> *Application of AEP Texas for Financing Order*, Docket 39931, Financing Order (Jan. 12, 2012).

<sup>2</sup> *Id.* at Appendix D.

**Recommendation**

I have reviewed AEP's filing and determined the adjustments to Rider TC-3, as shown in Exhibit JAM-3 were correctly calculated according to the financing order. Therefore, I recommend the following:

1. The Commission approve AEP's proposed tariff schedule
2. Require AEP to file a copy of its approved tariff consistent with the Commission's final order in this docket,
3. The approved tariff be stamped "Approved" by the Commission's Central Records Division and retained for future reference.